From: <u>John Hudec</u>

To: NASAA Comments; Theresa Leets; bill.beatty@dfi.wa.gov; Erin Houston; ASDinfo@arkansas.gov; John McLaurin

**Subject:** [EXTERNAL]NASAA Model Franchise Broker Registration Act

Date: Wednesday, August 27, 2025 4:42:52 PM

## Dear NASAA Project Group,

My name is John Hudec and I am an independent franchise broker with one year of experience serving the franchising community. Even though I am relatively new to the industry I am concerned with the proposed legislation concerning regulating franchise brokers.

I fully support the goals of enhancing ethical standards and education within franchising. These are values that franchise brokers share, as our success depends entirely on connecting qualified candidates with appropriate franchise opportunities.

As a franchise broker, I serve as a referral source - similar to an employment recruiter who introduces qualified candidates to potential employers. I am here to facilitate finding the best franchise for my client. I do not have authority to bind franchisors, cannot provide franchise disclosure documents, and am contractually prohibited from making franchise offers. The eventual franchise decision remains entirely between the franchisor and the candidate.

The current draft treats all franchise sales participants identically, despite our different roles and authorities. This approach may create compliance challenges that could inadvertently limit competition, particularly affecting emerging franchise brands that rely on broker referrals for growth.

I am all for standardized education requirements that would be recognized by all the states. This would address educational concerns while maintaining the viability of franchise brokerage services for emerging brands.

I welcome the opportunity to work collaboratively with regulators to develop effective solutions that serve all stakeholders in the franchising community.

Respectfully submitted,

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